

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1881-02
Bill No.: HB 566
Subject: Economic Development Dept: Entertainment, Sports and Amusements; Licenses - Professional
Type: Original
Date: March 11, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue	(Up to \$11,481)	\$0	\$0
Total Estimated Net Effect on General Revenue Fund	(Up to \$11,481)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Athlete Agent Fund*	\$0	\$0	\$0
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

***Offsetting income and expenses expected to be less than \$100,000**

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

The following agencies, schools and universities indicated this proposal would have no effect on their agencies or institutions: **Department of Revenue, Department of Public Safety - Missouri State Highway Patrol, Department of Higher Education, Office of State Treasurer, Office of Attorney General, Office of State Public Defender, Office of Secretary of State - Division of Corporations, Truman State University, Central Missouri State University, and the University of Missouri.**

Officials from the **Office of Administration - Administrative Hearing Commission** assume this proposal will not significantly alter its caseload. However, if other similar bills also pass, resulting in more cases, or more complex cases, there could be a fiscal impact.

Officials from the **Department of Correction (DOC)** state that currently, the DOC cannot predict the number of new commitments which may result from the creation of the offenses(s) outlined in this proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court.

DOC officials state that if additional persons are sentenced to the custody of the DOC due to the provisions of this proposal, the DOC will incur a corresponding increase in operational cost

through supervision provided by the Board of Probation and Parole (FY02 average of \$3.10 per offender, per day or an annual cost of \$1,132 per offender).

In summary, supervision by the DOC through probation or incarceration would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Officials from the **Secretary of State's Office (SOS)** assumed the rules, regulations and forms issued by the Department of Economic Development - Division of Professional Registration could require as many as 30 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. These costs are estimated. The estimated cost of a page in the *Missouri Register* is \$23. The estimated cost of a page in the *Code of State Regulations* is \$27. The actual costs could be more or less the SOS's estimated cost of \$1,845 for FY 2004. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Economic Development - Division of Professional Registration (DPR)** assume that since the certification and regulation of athletic agents is already established within the Secretary of States Office (SOS), the necessary appropriation and fund amount will be transferred from the Secretary of State to the Division of Professional Registration. The division assumes that this appropriation amount will include, at a minimum, the necessary expense and equipment to cover expenses. It is assumed that DPR can assume the personal service duties associated with the proposal. The SOS has indicated that there are currently less than 35 agents registered.

Oversight assumes, based on information from the Office of Secretary of State (SOS), that there are currently 18 active athlete agents and 25 inactive athlete agents. The maximum amount of revenue generated would be \$21,500 in any year. The \$500 fee is biennial but **Oversight** cannot estimate how much is collected in any given year. There is currently ½ FTE assigned by SOS to the duties of this program; that position would be eliminated with the transfer to Professional Registration. **Oversight** assumes these duties could be absorbed within existing personnel and expenses of the program would be offset with fees generated from athlete agents.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
GENERAL REVENUE			
<u>Savings</u> - Secretary of State			
Reduction in Personal Services (½ FTE)	\$7,026	\$0	\$0
Reduction in Benefits	\$2,843	\$0	\$0
Reduction in Expense	<u>\$150</u>	<u>\$0</u>	<u>\$0</u>
Total Savings - Secretary of State	\$10,019	\$0	\$0
 <u>Loss</u> - Registration Fees from Athlete Agents	 (Up to \$21,500)	 <u>\$0</u>	 <u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(Up to \$11,481)</u>	<u>\$0</u>	<u>\$0</u>
ATHLETE AGENT FUND			
<u>Income</u> - Professional Registration (DPR)			
Registration Fees from Athlete Agents	Unknown - Expected to be less than \$100,000	Unknown - Expected to be less than \$100,000	Unknown - Expected to be less than \$100,000
 <u>Cost</u> - DPR			
Administrative Costs	(Unknown - Expected to be less than <u>\$100,000</u>)	(Unknown - Expected to be less than <u>\$100,000</u>)	(Unknown - Expected to be less than <u>\$100,000</u>)
ESTIMATED NET EFFECT ON ATHLETE AGENT FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2004 (10 Mo.)	 FY 2005	 FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal requires all athlete agents operating in this state to be registered and certified by the Department of Economic Development - Division of Professional Registration (DPR). Fees for registration and renewal will be set by DPR and deposited in the Athlete Agent Fund, which is created by the proposal. Registration and certification are valid for a two-year period and may be renewed indefinitely. The DPR director may refuse to issue a certificate or may suspend or revoke a certificate because of the following circumstances:

- (1) The applicant has been convicted of a crime of moral turpitude;
- (2) The applicant made false statements on the application;
- (3) The applicant has had a similar license suspended or revoked in another state; or
- (4) The applicant has caused a student-athlete to be suspended from or to be ineligible for any interscholastic or intercollegiate athletic event.

The proposal requires all agent-athlete contracts to be written and to contain certain information, including the basis for the agent's fee and a notice warning the student-athlete about possible loss of eligibility.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
Division of Professional Registration
Department of Higher Education
Office of State Courts Administrator
Office of Administration
Administrative Hearing Commission
Office of State Treasurer
Department of Revenue

SOURCES OF INFORMATION (continued)

Office of Secretary of State
Administrative Rules Division
Corporations Division
Office of State Public Defender
Department of Public Safety
Missouri State Highway Patrol
Department of Corrections

Office of Attorney General
University of Missouri
Truman University
Central Missouri State University

NOT RESPONDING

Office of Prosecution Services
Southwest Missouri State University
Southeast Missouri State University
Lincoln University



MICKEY WILSON, CPA
DIRECTOR
MARCH 11, 2003